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MEMORANDUM FOR: Director of Central Intelligence

FROM: John N. McMahon

Acting Deputy to the DCI
for the Intelligence Community

SUBJECT: Comments on the Performance of the Senate
Select Committee on Intelligence

REFERENCE: "Report to the Senate on the Work of the
Senate Select Committee on Intelligence"

1. Action Requested: Draw on attached suggested comments as appropriate in discussion with Senator Inouye responding to his report upon completion of a term as Chairman of the SSCI.

2. Background: Senator Inouye provided a copy of his report. In your discussion of it with him, you may want to address a number of the most positive aspects of our interaction with the SSCI under his chairmanship, and also some areas of possible improvement. These aspects are very well known to you, and are recapitulated at Tab B as an aide memoire for use as you desire. There are a few items which you might well emphasize, and they are treated in somewhat more detail in the shorter list at Tab A.

3. Recommendation: That you make use of the attachments as appropriate in your meeting with Senator Inouye.

/s/ JOHN N. McMAHON

John N. McMahon

Attachments:

Tabs A and B

(EXECUTIVE REGISTRY FILE 0-38-2)

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Items for Emphasis

Sources and Methods: I need the SSCI's help in terms of legislation which will give me a viable means of meeting my responsibility for protecting sensitive intelligence sources and methods. I am aware of the difficulty of enacting such legislation in the present climate, but without it we are literally unable to take effective action to deter unauthorized release of sensitive information or to punish those who violate their secrecy agreements. It is an untenable situation, and one with potentially great costs to the effectiveness of our intelligence operations.

Studies for Congress: The Intelligence Community is involved in responding to requests from the Congress for a wide variety and large number of studies. This activity has a major impact on the Community in terms of commitment of both analytical and managerial resources. While the impetus provided by the Congress in directing the studies was useful and necessary, and the resultant focus of our attention on many of the most important problems has been beneficial, we have moved into an era of interaction and

shared concern in which this largely reactive mode of study activity is no longer the most beneficial or appropriate. I look forward in the future to having the Community take the initiative in mapping out its study program for each year, then examining it in co-operation with the Congress, adjusting to take into account particular Congressional concerns where possible, and proceeding in an orderly way to work through the program. I believe this will result in a more efficient and balanced study program which will be both responsive to Congressional and Executive concerns and more effective in using the analytical and managerial resources of the Community.

Congressional Analysis: I have some concern about the SSCI staff moving into the development of substantive intelligence reports, such as the oil study. While there is no question that the Committee must be involved in critiquing the analytical performance of the Intelligence Community, production of competitive studies may not be the best means of determining how well the Community is performing.

More Efficient Interface: Given the evolving role of the DCI with regard to the Community, and in particular that

concerning formulation of the intelligence budget, it is important that we be able to track the needs and requests of the SSCI and that the Committee be fully supported in getting in touch with the best informed sources in the Community on whatever topic is at hand. This interface can be most effective, I believe, if it is focused in the Intelligence Community Staff, which I rely upon to coordinate input to the SSCI involving more than one element of the Community, and which can perform a valuable service in directing traffic to ensure that the Committee and its staff receive the most authoritative and comprehensive responses possible. I encourage the Committee to use the Community Staff in this way to our mutual advantage.

Aspects of SSCI Activity

Major Contributions

Success Story: Deeply appreciate the constructive role played by Senator Inouye as first Chairman of the SSCI in establishing the professional, nonpartisan and diligent approach which has marked the Committee's work.

Charters: Fully support efforts of the Committee to update the statutes governing intelligence activities and to enact legislative charters as basis for the future.

Resource Management: The Committee's support of the DCI as manager of intelligence resources has been particularly important.

Reliable Security: The excellent record of the Committee in handling sensitive program information has enabled us to have a very free exchange of information.

Focus on Problems: The Committee's inquiries were useful in forcing the Community to evaluate some of its programs more critically.

Positive Impact: An appreciation has developed that the SSCI is working to improve intelligence and is a positive factor. Good working relationships at the staff level have enabled us to solve many minor issues and facilitated the flow of information.

Areas for Future Consideration

Intelligence Support to Congress: The Intelligence Community has provided a regular series of substantive intelligence briefings to members of the SSCI. It is extremely important to get continuing feedback on the value of the intelligence provided, to include assessment of how accurate and timely it has proven and some appreciation of the impact it has had.

Design of Hearings: We need to work together in designing the scope, content and extent of hearings to minimize to the extent possible covering the same ground and in the same way as the Appropriations Committee, and to ensure that hearings are no more protracted than necessary.